GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2429
ANSWERED ON:09.08.2005
LOSSES TO STC
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the State Trading Corporation (STC) of India has incurred losses during the past few years;

(b) if so, the details thereof and reasons therefor;

(c) the details of profit/loss during each of the last three years; and

(d) the steps taken by the Government to improve the performance of the STC?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) & (b): STC has been consistently earning profits ever since its inception except during 2001-02 and 2002-03. During these years, the Corporation incurred tosses of Rs. 40 crore and Rs. 84 crore respectively. However a large part of these losses was not directly related to the performance of the Corporation in these years. The losses were mainly due to:

Diminution in the value of investments made in US-64 Units.
Amortisation of expenses relating to Voluntary Retirement Scheme of the earlier years.
Write-off on account of shortfall in the recovery of old dues from the Government.

(c): The details of profit/loss during each of the last three years are as under:

(Rs.Crores)			
TURNOVER	2002-03	2003-04	2004-05 (PROV.)
Profit before tax	(-)83	26	31
Profit after tax	(-)84	20	23.5

(d): A Memorandum of Understanding signed between the Company and the Government of India setting out the performance targets in the beginning of the financial year is reviewed periodically and support extended wherever necessary.